

Life insurance, provided by UnumProvident, helps provide for your family's economic well-being in the event of your death. This benefit is paid to your designated beneficiary(ies).

Basic Life Insurance

The Commonwealth offers \$5,000 of Basic Life Insurance.

Optional Life Insurance

Optional life insurance rates will decrease by an average of 25% for most optional life insurance participants as of July 1, 2004. See page 25 for details.

Optional Life Insurance is available to provide economic support for your family. This term insurance allows you to increase your coverage up to eight times your annual salary. Term insurance covers you and pays your designated beneficiary in the event of your death or certain other catastrophic events. It is not an investment policy; it has no cash value. This is an employee-pay-all benefit.

To estimate how much Optional Life Insurance you might need, or whether this coverage is right for you, consider such financial factors as:

- ▶ Your family's yearly expenses,
- ▶ Future expenses, such as college tuition or other expenses unique to your family,
- ▶ Your family's income from savings, other insurance, other sources, and
- ▶ The life insurance cost and benefits for your age bracket. For instance, for 35-year-olds with young families and mortgages, financial advisors might recommend the coverage. But for 65-year-olds who have paid off their mortgage and have no dependent expenses, financial advisors might not recommend electing or continuing Optional Life Insurance, because premiums increase significantly as enrollees age.

Life Insurance Enrollment

New Employees

As a new state employee, you may enroll in Optional Life Insurance for a coverage amount of up to eight times your salary without the need for any medical review.

Special Open Enrollment – First in 16 Years For Current Employees or Employees Increasing Coverage – Changes Effective October 1, 2004

During this spring's annual enrollment only, employees who are actively at work may enroll in Optional Life Insurance, or increase their coverage to up to

four times salary, without proof of good health for coverage effective October 1, 2004. If you elect an Optional Life Insurance amount greater than four times salary, you will need to provide proof of good health to UnumProvident.

This is the first Optional Life Insurance open enrollment the GIC has offered since 1988. Employees meeting the following conditions may take advantage of this open enrollment: you must be working and paid regularly for performing your regular daily duties; you cannot be on any type of paid or unpaid leave, or on an approved or pending workers' compensation leave or any status of retiree. Employees on military leave or their family members may contact the GIC for the employee's enrollment options.

Choosing Coverage for the First Time or Increasing Coverage During the Year

If you do not enroll in Optional Life Insurance during this open enrollment or when first eligible, you must wait at least one year from the date you were first eligible before you can apply for coverage. If you are electing to increase coverage outside of open enrollment, you will have to wait at least one year from your last coverage change, complete a medical form and pass a physical for UnumProvident's review and approval. The GIC will determine the effective date if UnumProvident approves your application.

Optional Life Insurance Non-Smoker Benefit

At initial enrollment or during annual enrollment, anyone who has been tobacco-free (*has not smoked cigarettes, cigars or pipes nor used snuff or chewing tobacco*) for at least the past 12 months is eligible for reduced Optional Life Insurance rates. You will be required to periodically re-certify your non-smoking status in order to qualify for the lower rates. Changes in smoking status made during annual enrollment will become effective July 1, 2004.

Accelerated Life Benefit

This benefit provision allows an insured to elect an advance payment of up to 75% of his or her life insurance death benefits if he or she has been diagnosed with a terminal illness. Insured employees are eligible for this benefit if the attending physician provides satisfactory evidence that the insured has a life expectancy of 12 months or less. The remaining balance is paid to the beneficiary at death. You must continue to pay the required monthly premium.

Life Insurance Questions?
Contact the GIC
1.617.727.2310 ext. 801
www.mass.gov/gic

**Conversion and
Portability Questions?
Contact
UnumProvident
1.877.226.8620**

Portability

Active employees who leave employment or become ineligible due to a reduction in hours may elect term life coverage similar to their group term life

insurance. This coverage provides more favorable rates than conversion coverage. You may also apply for non-group conversion coverage.

Accidental Death and Dismemberment Benefits

In the event you are injured or die as a result of an accident while insured for life insurance, there are benefits for the following losses:

- ▶ Life
- ▶ Hands, Feet, Eyes
- ▶ Speech and/or Hearing
- ▶ Thumb and Index Finger of the Same Hand
- ▶ Quadriplegia
- ▶ Coma
- ▶ Paraplegia
- ▶ Hemiplegia
- ▶ Paralysis
- ▶ Brain Damage
- ▶ Air Bag and Seat Belt benefits for loss of life in a car accident

**AD&D Questions?
Contact the GIC
1.617.727.2310
ext. 801
www.mass.gov/gic**

LifeBalance® Benefit

All GIC enrollees have access to UnumProvident's LifeBalance® program. LifeBalance® is a one-stop resource that offers consultation, information, and personalized community referrals 24 hours a day, 7 days a week for you and your family members. You receive telephone and on-line access to assistance for such issues as stress, grief, marital concerns, home repairs, nutrition, pregnancy, adoption, child care options, legal matters, senior care options, financial issues, and college application process and selection assistance. Additionally, you have access to up to three face-to-face counseling sessions per year.

**LifeBalance® Questions?
Contact LifeBalance®
1.800.854.1446**

www.lifebalance.net
(password & ID: lifebalance)

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Employee Assistance Program (EAP) for State Agencies

The Commonwealth offers Employee Assistance Program (EAP) benefits as a resource to all agencies. United Behavioral Health, the GIC's mental health and substance abuse carrier for Commonwealth Indemnity plans and Tufts Navigator Plan enrollees, provides these services. All state employees can access critical incident debriefing services at no cost to the individual. Managers and supervisors can receive confidential supervisory training, resource recommendations, and customized seminars for dealing with employee issues such as stress management, low morale, disruptive workplace behavior, mental illness, and substance abuse.

**EAP Questions?
Contact United
Behavioral Health
1.617.558.3412**

www.liveandworkwell.com
(access code: 10910)

Long Term Disability (LTD)

The GIC's Long Term Disability (LTD) insurance is administered by Continental Casualty Company (CNA Group Benefits). LTD is an income replacement program that protects you in the event you become disabled and are unable to perform the material and substantial duties of your job.

According to *The Society of Actuaries*, one in seven people will become disabled for at least five years before age 65. How would you pay your bills if you couldn't work? Like most people, if you depend on your paycheck, you should consider LTD coverage.

If you become ill or injured, and are unable to work for 90 consecutive days, this program will provide you with:

- ▶ A tax-free benefit of up to 50% of your gross monthly salary.
- ▶ A benefit for mental health disabilities and for partial disabilities.
- ▶ 24-hour, 365-days-a-year unlimited telephonic legal and financial counseling for families affected by disability.
- ▶ Additional benefits that may allow you to receive up to 100% of pre-disability earnings.

Benefits are reduced by other income sources, such as Social Security disability, Workers' Compensation, accumulated sick leave and retirement benefits, but the benefit will be at least \$100 or 10% of your gross monthly benefit amount, whichever is greater.

Eligibility

All active full-time and half-time employees who work at least 18.75 hours in a 37.5-hour work week or 20 hours in a 40-hour work week are eligible for LTD benefits. New employees may enroll in LTD without providing evidence of good health within 31 days of hire. All eligible employees can apply for LTD coverage during annual enrollment, or any time during the year.

You must provide proof of good health for CNA's approval to enter the plan.

**Questions?
Contact CNA
1.866.847.6343**

www.maemployeesltd.com

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Pre-Tax Options

Pre-Tax Premium Deductions

The state deducts the employee's share of basic life and health insurance premiums on a pre-tax basis, unless a new employee opts out of this option. The net result is a slight increase in your paycheck. During annual enrollment, or when you have a "qualifying event" as outlined on the form, you have the opportunity to change the tax status of your premiums.

- ▶ If your deductions are now taken on a pre-tax basis, you may elect to have them taxed, effective July 1, 2004.
- ▶ If you previously chose not to take the pre-tax option, you may switch to a pre-tax basis, effective July 1, 2004.

Questions?

Contact Your Payroll Department

Health Care Spending Account (HCSA)

Through the GIC's Health Care Spending Account (HCSA), administered by Sentinel Benefits, active employees can pay for non-covered health-related expenses on a pre-tax basis, reducing participants' federal and state income taxes.

Expenses must be medically related. Examples include:

- ▶ Physician office and prescription drug co-payments
- ▶ Medical deductibles and coinsurance
- ▶ Eyeglasses and contact lenses not covered by your health or vision plan
- ▶ Orthodontia and dental benefits not covered by your dental plan
- ▶ Most over-the-counter drugs

The program allows a participant to contribute \$250 to \$1,500 for the 2004 calendar year on a pre-tax basis as a payroll deduction.

Eligibility

All active state employees who are eligible for health benefits with the GIC are eligible for HCSA. Employees must work at least 18.75 hours in a 37.5-hour work week or 20 hours in a 40-hour work week.

HCSA and DCAP Questions?
Including eligible expenses

Contact Sentinel Benefits
1.888.762.6088
www.mass.gov/gic

Dependent Care Assistance Program (DCAP)

The Dependent Care Assistance Program (DCAP), administered by Sentinel Benefits, allows individuals to pay for certain dependent care expenses with before-tax dollars. Participating in DCAP can significantly reduce your federal and state income taxes. Through DCAP, participants may pay on a pre-tax basis for qualified dependent care expenses, such as day care, nursery schools, and day camp.

The program allows a participant to contribute up to \$5,000 per family annually on a pre-tax basis as a payroll deduction. For taxpayers in a 28% income tax bracket, a \$5,000 contribution to the DCAP would save an estimated \$1,400 in taxes.

Eligibility

Active state employees who work half-time or more and have employment-related expenses for a dependent child under the age of 13 and/or a disabled adult dependent are eligible for DCAP.

HCSA & DCAP

As you incur health care and dependent care expenses, submit a claim form and receipt to Sentinel Benefits. They will deposit the reimbursement to your bank. The monthly administrative fee is \$4.50 on a pre-tax basis, for HCSA alone, DCAP alone or HCSA and DCAP combined.

HCSA & DCAP Open Enrollment

November - December

Open enrollment for these programs runs from November to December for the following calendar tax year. You must re-enroll each year. Employees that have a "qualified" family status change during the plan year, as outlined on the enrollment and change form, may also enroll. For additional information, contact your Payroll Coordinator or visit the GIC website.

It is important to estimate your expenses carefully, as the Internal Revenue Service requires that any unused funds in a participant's account at plan year-end be forfeited.

For Managers, Legislators, Legislative Staff, and Certain Executive Office Staff

Eligibility for the GIC Dental and Vision Plans

The GIC Dental/Vision Program is for employees who are not covered by collective bargaining or do not have another Dental and/or Vision Plan. The plan primarily covers managers, Legislators, Legislative staff, and certain Executive Office staff. Employees of authorities, higher education, and the Judicial Trial Court system are not eligible for GIC Dental/Vision coverage.

Dental Benefits

Delta Dental is the provider for the dental portion of the GIC Dental/Vision plan. During annual enrollment, participants may change their dental plan type.

The Indemnity Plan, also known as DeltaPremier USA, offers network access to more than 95% of the state's dentists who agree to no balance billing.

The PPO, also known as the DeltaPreferred Option, is a less expensive plan, with a limited network encompassing almost 20% of the state's dentists who agree to accept negotiated fees for their services with no balance billing to members. The plan also offers reduced out-of-network benefits.

If you are in the Indemnity Plan, the GIC recommends that you check to see whether your family's dentist(s) participates in the PPO. Switching to the PPO will save you premium costs (see page 25) and reduce your out-of-pocket expenses. Contact the plan for details on potential out-of-pocket savings.

Questions?
Contact Delta Dental
1.800.553.6277
www.deltamass.com

Keep in mind that if you enroll in the PPO and your dentist leaves the plan during the year, you may not change plans until the next annual enrollment.

Dental Benefit Enhancements

Dental benefits have been enhanced, effective July 1, 2004, aligning GIC dental benefits with the best practices in dental care:

- ▶ Fluoride varnish covered for adults who have had periodontal surgery within the last four years
- ▶ Sealant covered on molars for members who are under 19 years old

Vision Benefits

The vision portion of the GIC Dental/Vision Plan is provided by Davis Vision. This plan provides a Preferred Provider statewide network of over 375 vision providers. Additional Preferred Providers are in other New England states. Members receive basic services at no cost, and pay a co-pay for enhanced materials and services, when they use a Preferred Provider. Members receive reimbursement according to a fixed schedule of benefits when they do not use a Preferred Provider.

Questions?
*Including co-payment amounts
and providers*
Contact Davis Vision
1.800.650.2466
www.davisvision.com

Health Insurance Buy-Out Option

If you were insured with the GIC on June 1, 1993, and have been continuously covered by a GIC health plan, you may buy out your health plan coverage during annual enrollment. You must have other non-state health insurance coverage that is comparable to the health insurance you now receive through the Group Insurance Commission. Under the buy-out

plan, eligible employees may choose to receive monthly payments in lieu of health insurance benefits for one 12-month period of time. The amount of payment depends on your health plan.

Questions?
Contact the GIC
617.727.2310
www.mass.gov/gic